

## Personal Financial Planning

### CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
<b>Personal Financial Planning</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>12<sup>th</sup> Pass</b>	<b>NIL</b>

#### Learning Objectives

The Learning Objectives of this course are as follows:

- To familiarize students with different aspects of personal financial planning like savings, investment, taxation, insurance, and retirement planning
- To develop the necessary knowledge and skills for effective financial planning.

#### Learning outcomes

The Learning Outcomes of this course are as follows:

- After studying this course, students will be able to understand the meaning and appreciate the relevance of financial planning.
- After studying this course, students will be able to understand the concept of investment planning and its methods.
- After studying this course, students will be able to examine the scope and ways of personal tax planning.
- After studying this course, students will be able to analyse insurance planning and its relevance.
- After studying this course, students will be able to develop insight into retirement planning and its relevance.

## SYLLABUS

### **Unit 1: Introduction to Financial Planning:** (3 weeks)

Financial goals, steps in financial planning, budgeting incomes and payments, time value of money. Introduction to savings, benefits of savings, management of spending & financial discipline, Setting alerts and maintaining sufficient funds for fixed commitments.

### **Unit 2: Investment Planning:** (3 weeks)

Process and objectives of investment, concept and measurement of return & risk for various asset classes, measurement of portfolio risk and return, diversification & portfolio formation. Gold bond; Real estate; Investment in greenfield and brownfield Projects; Investment in fixed income instruments, financial derivatives & commodity market in India. Mutual fund schemes; International investment avenues. Currency derivatives and digital currency.

### **Unit 3: Personal Tax Planning:** (3 weeks)

Tax structure in India for personal taxation, Scope of personal tax planning, exemptions and deductions available to individuals under different heads of income and gross total income. Comparison of benefits - Special provision u/s 115 BAC vis-à-vis General provisions of the Income-tax Act, 1961, tax avoidance versus tax evasion.

### **Unit 4: Insurance Planning:** (3 weeks)

Need for insurance. Life insurance, health insurance, property insurance, credit life insurance and professional liability insurance.

### **Unit 5: Retirement Benefits Planning:** (3 weeks)

Retirement planning goals, process of retirement planning, Pension plans available in India, Reverse mortgage, Estate planning.

### **Practical Exercises:** (15 Weeks)

The learners are required to:

- Perform electronic fund transfers through net banking and UPI.
- Identify certain recent Ponzi schemes in the market.
- Prepare tax planning for a hypothetical individual.

### **Suggested Readings:**

- Halan, M. "Let's Talk Money: You've Worked Hard for It, Now Make It Work for You" Harper Collins Publishers, New York.
- Indian Institute of Banking & Finance. "Introduction to Financial Planning" Taxmann Publication, New Delhi.
- Keown A.J. "Personal Finance" Pearson, New York.
- Madura, J. "Personal Finance", Pearson
- Pandit, A. "The Only Financial Planning Book that You Will Ever Need" Network 18 Publications Ltd., Mumbai.
- Sinha, M. "Financial Planning: A Ready Reckoner" McGraw Hill Education, New York.
- Tripathi, V. "Fundamentals of Investment" Taxmann Publication, New Delhi.

**Note: Learners are advised to use the latest edition of readings.**

**Examination scheme and mode:**

Total Marks: 100

Internal Assessment: 25 marks

Practical Exam (Internal): 25 marks

End Semester University Exam: 50 marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty

**Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.**

